

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45

Comments of the Telephone Association of Maine

June 6, 2007

The Telephone Association of Maine (TAM), a trade association comprised of all 22 rural incumbent local exchange carriers in Maine, offers the following comments in response to the Commission's May 14, 2007, Notice of Proposed Rulemaking (NPRM) in the above captioned proceeding.

TAM strongly supports the concept of imposing an emergency rate cap only on competitive eligible telecommunications carrier (CETC) funds while the Commission determines how to reform the existing Universal Service Fund (USF) system. In Maine, there are currently two CETCs, United States Cellular (US Cellular) and RCC Minnesota, Inc. d/b/a Unicel (Unicel). To TAM's knowledge, neither of these companies has utilized the Federal USF monies they have received to build networks to areas where customers are currently unable to receive telephone service from any other provider. Instead, they have used the money to build more wireless infrastructure in rural areas of Maine already served by, at the very least, an incumbent local exchange carrier (ILEC) in order to increase their competitive position in the State against both the ILECs and against other wireless providers operating in Maine, including AT&T, Verizon Wireless, and T-Mobile. TAM's understanding of the goal of Universal Service is that it is designed to provide all Americans access to affordable telephone service where such service would otherwise be cost prohibitive. The justification for using the money of ratepayers to support this program is that it allows telecommunications access by citizens who would not otherwise be able to be connected to the public switched network. Wireless service, in Maine at least, is strictly a free-market competitive service that does not extend service beyond the pre-existing service territories of ILECs in the State. Indeed, unlike ILECs, if an individual within Unicel's or US Cellular's service territory requested service from the CETC, the CETC would have no obligation to provide service to that customer because they are not required to act as the "carrier of last resort". It does not make sense to continue to ask ratepayers across the nation to subsidize a free-market driven competitive service which has no obligations to provide service to customers who ask for it. Accordingly, the interim cap should apply strictly to CETCs.

Nonetheless, TAM is aware that there are some instances where it would be fully appropriate for wireless CETCs to receive USF support, such as in those areas where they are the only provider or where they accept the responsibility to act as carrier of last resort and allow connectivity by any customer who requests service from them. However, even with those conditions, TAM strongly believes that the funding must be based on the CETC's actual costs. These are all serious issues that must be resolved quickly. The benefit of an interim cap would be that it would allow the Commission to fully review all of the existing problems with the funding of CETCs through the USF and resolve them before the Fund becomes so overgrown that political pressures significantly diminish the scope and effectiveness of the Fund. Rural Americans need to continue to be able to access basic telecommunications services at affordable rates. The Commission must make the effort to ensure that a system is in place to ensure that the most efficient technologies are used without unnecessary overlap in funding to continue the goal of Universal Service. The imposition of an interim cap and the immediate thorough exploration of the Joint Board's recommendations by the Commission is vital to the interests of rural customers throughout Maine and the Nation.

Respectfully Submitted,



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